

Private Organizations (PO)

PURPOSE:
To provide information regarding authority/provisions and responsibilities related to private organizations operating on Army installations.

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POs are:

Important to our communities

1. Provide significant value for population segments (i.e., ski club, scuba club, etc)
2. Significant contributions to community (i.e., events, activities, etc)



Future Direction

1. Army installations will change
2. Support systems challenged (i.e., resources, time and demand).

Potential Solution


1. Leverage our capabilities
2. Consider POs as viable options to fill voids in services where needed when presented with a potential opportunity.
3. Understating limitations, authority and responsibilities associated with POs.

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Private Organization (PO)

PO's and the Army's Program



- Types of PO's
 - DoD Sanctioned
 - Local
- Army Programs
 - Army, Air Force Exchange Service
 - Installation Morale, Welfare and Recreation

Family Child Care (in-home care)	Clubs	Army Family Team Building
School-Age Services	Golf	Volunteer Program
Youth Centers	Bowling	New Parent Support Program
CYS Sports and Fitness	Recycling	Family Readiness Group Training
CYS Outreach Services	Recreational Lodging	Family Sponsorship Training
CYS School Liaison/Youth Education	General Libraries	Marketing
Army Family Action Plan	BOSS	Advertising and Sponsorship
Financial Readiness	Sports and Fitness	USDA Child Care & Adult Food Program
Relocation	Entertainment	Army Emergency Relief
Exceptional Family Member	Outdoor Recreation	Fisher Houses
Employment Readiness	Leisure Travel	Army Lodging
Mobilization/Deployment	Auto Crafts	Veterinary Services
Family Advocacy	Arts & Crafts	
Information and Referral	Recreation Centers	
Family Outreach	Child Development Centers	

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Challenge

Finding the right balance between POs and other Army services.

DOD Sanctioned POs (Separate regulations for each)

Red Cross, USO, Army Emergency Relief, Boy Scouts, etc...

LOCAL POs (Covered by AR210-22)...This brief is focused on Local PO's operating on-post.

Wives Club, Ski Club, Travel Club, etc...

PO Magnitude (small region):

Example KOREA

70 Active POs

Variety of shapes and sizes

Diverse groups and interests

Competing demands with each other

Potential for competing demands with Army and NAF programs



THE RIGHT BALANCE

MWR/PO...

Complement vs Competition

EXAMPLE: Your installations may not have an ITR program and as such a relationship with a PO to provide these services fills a void/need on your installations and translates to a good thing for the community without competing with the MWR program.


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Private Organization (PO)

General Principles

- Non Federal entity
- Cannot be endorsed by DoD
- JER governs “official” relationship
- PO chooses its specific functions and expenditures
- Self sustaining
- Operated on Department of Defense (DOD) installations only with the written consent of the installation commander or higher authority




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BASIC PRINCIPLES:

1. Non Federal entity - As such, they are not entitled to the immunities and privileges given to governmental agencies and NAFIs.
2. Endorsement - Not authorized for Army endorsement by virtue of their contribution to the military community or installation, their support of Army goals and objectives, or for any other reason.
3. Official Relationships – Governed by section 1033, title 10 US code and JER, which clearly states that no official relationship shall exist between PO activities and official duties and responsibilities of Army personnel.
4. PO Functions - Only the PO can choose its specific functions and expenditures. DoD personnel acting in an official capacity may not influence such choices. Likewise DOD personnel are not authorized to participate in day-to-day management for a PO nor authorized to act as a fiduciary for a PO.
5. Self sustaining – Primarily through dues, contributions, service charges, special assessments of members.
6. Operated on Department of Defense (DOD) installations only with the written consent of the installation commander or higher authority

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Private Organizations (PO)

Requirements for on-post Operation

- Request and receive written permission from the Commander
 - Application package contents
 - Application reviews
- Submit an annual report
- Revalidate every two years
- Request permission for raffles and fundraising
- Submit notification to terminate in writing

Legal counsel should be in the staffing solution on all PO actions

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KEYS FOR CONSIDERATION IN GRANTING APPROVAL

1. PO will provide a positive contribution to the lives of on-base personnel.
2. Legal review for compliance with AR 210-20
3. APPLICATION PKGE - Constitution – Bylaws (ARTICLES INCLUDE - Org Name, Purpose, General Provisions {Personal liability, licenses, registration, etc}, Functions/Activities & Operating Procedures, Membership, Officers and Governing Body, Duties of Officers, Elections and Voting, Standing Committees, Funding Sources, Taxes, Insurance Coverage, Meetings, Dissolution) Signed by the President/Secretary.
4. FINAL REVIEW - Ensure that individual members do not profit from PO income, except through salaries and wages, awards and membership in investment clubs

REPORTING REQUIREMENTS: NLT annually (minutes or summaries of PO meetings, financial statements, major changes to membership requirements, officers, objectives, organization, etc, name addresses and numbers of officers, audit reports.

REVALIDATION: Required every two years, otherwise it automatically expires.



FUNDRAISING:

1. CDR Approval required
2. Legal review
3. Should not conflict with CFC or AER

TERMINATION:


May occur at any time by the commander or membership.

Notification must be in writing.



Private Organization (PO)

Restrictions for on-post Operations



➤ PO's do not:

- Use DoD logo, identity, etc
- Create financial obligations on the Army or any NAFI
- Duplicate or Compete with Army or NAFI programs
- Establish themselves for commercial or monetary purposes except for investment clubs

➤ PO's must:

- Have adequate insurance
- Obtain fidelity bonding - cash flow exceeds \$500 monthly
- Conduct audits - every two years if gross annual revenue exceeds \$1K in either year

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PO's DO

1. Use of names, abbreviations, seal logo insignia or the like used by any DOD component to identify any of its programs locations or activities. Purpose is to avoid association with DoD
2. Impose a financial obligation on the Army or any NAFI or act on the behalf of DoD
3. Duplicate and/or compete with any authorized Army or NAFI activities
4. Be created operated or administered for a commercial or monetary purpose except for investment clubs

PO MUSTS INSURANCE:

Described as adequate to protect the government against public liability, claims, property damage or other legal actions arising from PO activities.

1. Determination of the local commander and legal office (RISK ASSESSMENT)
2. One size does not fit all / risks based on activities, PO size, etc

CDR may decide that none is adequate

Also insurance can be required on an event by event basis.

BONDING:

1. Is required to protect the funds and membership from unscrupulous individuals.

AUDIT:

Only for PO with \$1K of annual revenue



Audit options vary based on PO

Conducted by a PO member (Income from only contributions, dues and assessments, audits)



Committee of three PO members (Income from resale or fundraising)

If double entry accounting system is used, audits will be done by a qualified auditor.

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Private Organization (PO)



Official Relationship/Participation/Support
"Four Great Commandments"

- 1 - What you do for one organization you must be willing to do for all other organizations that make a similar request.
- 2 - Do not use your office, title, or position to officially endorse any private organization or its activities except as permitted by the JER (e.g. CFC, AER).
- 3 - Do not support a PO with NAF or APF, nor other assets except as authorized by law.
- 4 – Ensure everyone in your chain understands 1, 2 & 3 above (community education)

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NEUTRAL NATION: Equality is critical.

Example: you allow one PO to use a meeting room for free would translate to all POs can use the meeting room for free.

COMPARE AND CONTRAST:

AUSA. We understand what goes on at the meetings related to support commitment, etc.

Wives club, senior spouse is the wife of the Combatant CDR. They want the community center for free to host an event.

3. Special interest group/sorority.

4. Difficult choices.

PROTECT ASSETS: Neither NAF nor APF can be used, unless authorized by a higher authority.

COMMUNITY EDUCATION – Ensure POs, Military and civilian personnel are informed and aware of restrictions concerning official and personal relations. Conflict of interest perceived or real, misuse of personnel, etc. Joint ethics is the guide and the ethics officer a great re-course.

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Private Organization (PO)			
Quick Reference Guide			
GENERAL PRINCIPLES	ADMINISTRATIVE REQUIREMENTS	RESTRICTIONS INSURANCE/BONDING	OFFICIAL PARTICIPATION
<ol style="list-style-type: none"> 1. Non Federal Entity 2. No endorsement from DoD 3. JER Governs relationship 4. PO chooses functions 5. Must be self sustaining 6. Operates only with written consent of installation commander or higher authority 	<p>APPLICATION PACKAGE</p> <ol style="list-style-type: none"> 1. Charter 2. Articles of agreement 3. Constitution 4. By laws 5. Membership eligibility 6. Responsibilities for management function 7. Accountability of assets 8. Insurance coverage limitations 9. Dissolution pending breakup 10. Liability statements 11. Current officers 12. Financial statements <p>APPLICATION REVIEW Validates that membership does no profit from income except through salaries and wages or awards.</p> <p>ANNUAL PO REPORTING REQUIREMENTS</p> <ol style="list-style-type: none"> 1. Submit minutes or summaries of meetings 2. Financial Statements 3. Changes to membership (i.e., officers, objectives, organization, names, audits, etc) <p>BIANNUAL PO REVALIDATION PO must submit documents/application package every two years to request revalidation or it automatically expires</p>	<p>PO's MAY NOT</p> <ol style="list-style-type: none"> 1. Use DoD logo, identify, etc. 2. Create financial obligations on the Army or any NAFI 3. Compete or duplicate authorized Army or NAFI activities 4. Be created/operated or administered for a commercial monetary purpose except for investment clubs <p>PO's MUST HAVE</p> <ol style="list-style-type: none"> 1. Insurance. Adequate liability insurance required, unless it is determined at the installation level that risk is negligible 2. Bonding. Fidelity bonding of cash handlers required when cash flow exceeds \$500 monthly 3. Audits. Conduct every two years if gross annual revenue exceeds \$1K 	<p>COMMANDMENTS</p> <ol style="list-style-type: none"> 1. What you do for one organization you must be willing to do for all other organizations that make a similar request. 2. Do not use your office, title, or position to officially endorse any private organization or its activities except as permitted by the JER (e.g. CFC, AER). 3. Do not use APF or NAF, nor other assets in support of a PO except as authorized by Law 4. Ensure everyone in your chain understands 1, 2 & 3 above (community education)

CONCLUSION:

Quick reference guide covering what was covered in this brief

For additional information/clarification on PO's AR 210-22 is the guide

Contact information is on the bottom of the slides